

Press Release

City Clears FEMA Hurdle to Apply for Discounted Flood Insurance

Community Rating System Eligibility Approved

Key West, February 1, 2016: After years of hard work and research, the City of Key West has moved property owners a step closer to lower flood insurance rates. On February 1st, FEMA granted Key West eligibility to rejoin the national Community Rating System (CRS)

A couple of decades ago, the City was in good standing with FEMA when it came to flood insurance construction standards, achieving a five percent discount for all flood policies throughout the city. That good standing and the discount that went with it evaporated after a few short years, when those responsible left the City's employ and oversight of the program fell by the wayside.

During 2010, a new City administration began inquiring how it might restore the Community Rating System (CRS) discount it once enjoyed. The response from FEMA was disappointing.

An intervening decade of lackluster enforcement of floodplain requirements had the community on the brink of probation and eventual suspension from the National Flood Insurance Program; the consequences of which would have spelled economic havoc for 80 percent of the City's property owners and businesses.

The City wouldn't be allowed to submit an application to restore the CRS discount, until past FEMA concerns had been resolved and current procedures were shown to be in compliance with National Flood Insurance Program requirements.

Five years of research and replies to thousands of FEMA concerns, a complete revamping of how the Building Department receives, reviews and approves building permit applications and applying code compliance actions when necessary, resulted in the February 1st letter to the City from FEMA acknowledging the community's eligibility to rejoin the CRS program.

What does this mean for Key West?

City staff have been steadily making changes designed to accumulate CRS points used to score the amount of discount it may receive. Yet those points couldn't be counted until now. While many changes

were administrative, the Building Height Exception overwhelming passed by voters on the November 2014 ballot will add to a much-improved rating.

Minutes after FEMA issued its eligibility approval, CRS evaluators from the Insurance Services Office (ISO) began calling City staff. They'll be visiting during March to assist with compiling the April application, with a new rating decision expected during October. It'll take every bit of that time to compile an application designed to achieve the highest favorable rating.

Local stakeholder groups, such Fair Insurance Rates for Monroe (FIRM) and the Key West Association of Realtors have offered their help, and will play key roles in crafting the best possible application for the community.

There are currently 7,657 active flood insurance policies within the city, with an average cost of \$1,551 per policy. Key West property owners pay \$10.8 Million annually for flood insurance through the National Flood Insurance Program administered by FEMA.

The savings to policy holders is expected to range from \$78 - \$233, or \$500,000 to \$1.5 Million for the community annually.

The attached "CRS What-If" chart from FEMA shows the flood insurance statistics for Key West, and opportunity for reduced flood insurance costs.

Key West is presently a CRS Class 10 community, which means zero discount. The City's immediate goal is to achieve a Class 7 rating.

More flood information can be found at: www.CityofKeyWest-FL.gov/Flood

CRS What-If

Application CRS Coord. 2ndPOC Activity Points Chronology Comments WhatIf GTA

Community:	KEY WEST, CITY OF	State:	FLORIDA
County:	MONROE COUNTY ▼	CID:	120168

Current CRS Class = 10

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		TOTAL	SFHA *	X-STD/AR/A99 **	PRP ***
PIF		7,657	6,516	398	743
PREMIUM		\$10,795,119	\$10,106,603	\$315,315	\$373,201
AVERAGE PREMIUM		\$1,410	\$1,551	\$792	\$502
CRS Class					
09	Per Policy	\$68	\$78	\$40	\$0
	Per Community	\$521,095	\$505,329	\$15,766	\$0
08	Per Policy	\$134	\$155	\$40	\$0
	Per Community	\$1,026,424	\$1,010,658	\$15,766	\$0
07	Per Policy	\$200	\$233	\$40	\$0
	Per Community	\$1,531,752	\$1,515,986	\$15,766	\$0
06	Per Policy	\$268	\$310	\$79	\$0
	Per Community	\$2,052,847	\$2,021,315	\$31,532	\$0
05	Per Policy	\$334	\$388	\$79	\$0
	Per Community	\$2,558,176	\$2,526,644	\$31,532	\$0
04	Per Policy	\$400	\$465	\$79	\$0
	Per Community	\$3,063,505	\$3,031,973	\$31,532	\$0
03	Per Policy	\$466	\$543	\$79	\$0
	Per Community	\$3,568,833	\$3,537,302	\$31,532	\$0
02	Per Policy	\$532	\$620	\$79	\$0
	Per Community	\$4,074,162	\$4,042,631	\$31,532	\$0
01	Per Policy	\$598	\$698	\$79	\$0
	Per Community	\$4,579,491	\$4,547,959	\$31,532	\$0

* SHFA (Zones A, AE, A1-A30, V, V1-V30, AO, and AH): Discount varies depending on class.

** SFHA (Zones A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, and AR/AO): 10% discount for Classes 1-6; 5% discount for Classes 7-9.

*** Preferred Risk Policies are not eligible for CRS Premium Discounts.